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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
October 1967
NOV 29 1967

Volume 12

Number 3

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - OCTOBER 1967

The Chattanooga Order MINIMUM uniform producer price is \$5.63 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 8.4 cents for each one-tenth of one percent above or below 3.5% test.

In October 1967, 83.6% of the producer milk received by pool plants was priced in Class I at \$5.98 per cwt. and 16.4% was priced in Class II at \$3.98 per cwt. The October butterfat differential for Class I was 8.7 cents and Class II was 7.7 cents.

Total producer milk received during October 1967 was 18,312,307 pounds which is an increase of 163,785 pounds or 0.9% compared with October 1966. The October daily average deliveries per farm from 550 producers was 1,074 pounds. This compares to 575 farms delivering a daily average of 1,018 pounds per day during October 1966.

HEARING SET NOVEMBER 29 ON AMENDING CHATTANOOGA MILK ORDER

The U.S. Department of Agriculture will hold a public hearing on November 29 in Chattanooga, Tennessee, on amending the Chattanooga federal milk marketing order. The hearing will begin at 10:00 a.m. in the Holiday Inn-Downtown, Golden Gateway, 401 W. 9th Street, Chattanooga. It was requested by a dairy farmer cooperative representing the majority of farmers supplying milk to the area. Handlers have submitted several proposals.

It is being proposed that the present marketing area of three Tennessee counties--Bradley, Hamilton and McMinn--be expanded to include seven additional Tennessee counties and ten counties in northern Georgia. The Tennessee counties are Bledsoe, Marion, Meigs, Monroe; Polk, Rhea, and Sequatchie. In Georgia, the counties are Catoosa, Chattooga, Dade, Fannin, Gilmer, Gordon, Murray, Union, Walker, and Whitfield.

Other principal proposals would decrease the "in-area" route sales requirements for pool distributing plants, and lower the handler Class I butterfat differential. Another consideration at the hearing will be the proposed classification as Class I of skim milk in fluid products containing vegetable fat. There are also other proposals which will be given consideration at the hearing.

After considering evidence presented at the hearing, USDA may recommend amending the order. Before any changes could be made, it would be necessary for at least two thirds of the dairy farmers supplying the market to approve.

Copies of the hearing notice may be obtained from Milk Market Administrator, Consumer and Marketing Service, 5916 Brainerd Rd., P.O. Box 8085, Chattanooga, Tennessee 37411; or from the Dairy Division, Consumer and Marketing Service, U. S. Department of Agriculture, Washington, D. C. 20250.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Oct. '67 over Oct. '66	Oct. 1967	Sept. 1967	Oct. 1966
Number of Plants (Pool and Non-Pool)		9	8	9
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 0.9	590,720	595,805	585,436
Other Source	+ 86.8	21,751	21,471	11,646
Other Federal Orders	+ 135.0	105,031	71,605	44,697
TOTAL MILK RECEIPTS	+ 11.8	717,502	688,881	641,779
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 1.9	377,471	390,424	370,405
Skim - Regular	+ 12.3	17,213	17,900	15,331
Skim - 2% Milk	+ 57.4	34,504	35,245	21,925
Buttermilk	+ 6.6	40,696	42,245	38,180
Flavored Milk and Drink	+ 6.1	13,949	14,167	13,150
Creams (Sweet and Sour)	+ 8.0	2,710	2,800	2,510
Sub-Total - Pkg. Products (Pool Plants)	+ 5.4	486,543	502,781	461,501
Other (Shrinkage, Inventory, etc.)		4,063	3,486	957
Sales to Non-Pool Plants		82,825	31,849	67,384
In-Area Sales by Non-Pool Plants		1,738	1,689	4,627
TOTAL CLASS I MILK	+ 7.6	575,169	539,805	534,469
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 18.4	37,045	45,343	31,276
Cottage Cheese	+ 1.7	29,133	31,375	28,639
Powdered and Condensed Milk		7,824	11,273	5,760
Livestock Feed and Skim Dumped		5,410	5,997	5,289
Sub-Total - Used to Produce	+ 11.9	79,412	93,988	70,964
Shrinkage Class II		9,699	9,585	10,568
Other (Inventory Variation, etc.)		8,161	(6,558)	11,181
Bulk Sales to Non-Pool Plants		45,061	52,061	14,597
TOTAL CLASS II MILK	+ 32.6	142,333	149,076	107,310
Class I Pounds in Area - Pool Plants	+ 2.2	299,734	297,627	293,149
Class I Pounds Out of Area - Pool Plants	+ 15.6	273,697	240,489	236,693
Class I Pounds in Area - Non-Pool Plants		1,738	1,689	4,627
% Producer Milk of Gross Class I		102.7	110.4	109.5
% Producer Milk Priced in Class I		83.6	81.0	85.3

CLASS I MINIMUM PRICE COMPUTATIONS INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per \$ 1090.51(a) Amended</u>	<u>Nov. '67</u>	<u>Oct. '67</u>	<u>Nov. '66</u>
Basic Formula	\$4.05	\$4.05	\$4.26
Plus Class I Differential 1/	1.95	1.95	1.75
Supply-Demand Adjustment	(0.02)	(0.02)	0.08
Class I Price, 3.5% Butterfat	\$5.98	\$5.98	\$6.09

NOVEMBER 1967

Supply-Demand Comparison: 2nd and 3rd preceding months: August and September	
Supply: Lbs. Producer Milk (Aug. 17,437,827 and Sept. 17,874,145)	35,311,972
Demand: Lbs. Net Class I Milk (Aug. 14,513,212 and Sept. 16,143,480)	30,656,692
Utilization Percentage: Producer milk divided by Class I	115
Standard Utilization Percentage: Range 110-114	114
Net Deviation Percentage: Utilization minus Standard Utilization	Plus 1
Supply-Demand Adjustment: 2 cents x 1 percentage point	Minus \$0.02

1/ Increased 20 cents - May 1967 through April 1968.

COMPUTATION OF PRODUCER UNIFORM PRICE

OCTOBER 1967	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Valuc
Gross Class I		17,830,242	3.530		
Less Other Source		2,523,167	3.251		
Producer Milk Class I	83.6	15,307,075	3.576503	\$6.046558	\$ 925,551.17
Gross Class II		4,412,318	5.754		
Less Other Source		1,407,086	3.710		
Producer Milk Class II	16.4	3,005,232	6.710231	6.451878	193,893.90
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	18,312,307	4.090779		1,119,445.07
Less Fractional Adjustment					.05
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		282,282			12,366.14
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					9,129.58
TOTAL VALUE AT TEST		18,594,589	4.053905	6.135875	1,140,940.74
Less Test over 3.5% @ 8.4¢ per point		18,594,589	.553905	0.465280	86,516.90
TOTAL UTILIZATION VALUE AT 3.5%		18,594,589	3.5	5.670595	1,054,423.84
Less Producer-Settlement Fund Reserve		18,594,589		.040595	7,548.47
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		18,594,589	3.5	\$5.63	\$1,046,875.37

OCTOBER 1967 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 8.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.21	3.6	\$5.714	4.2	\$6.218	4.8	\$6.722	5.4	\$7.226
3.05	5.252	3.65	5.756	4.25	6.26	4.85	6.764	5.45	7.268
3.1	5.294	3.7	5.798	4.3	6.302	4.9	6.806	5.5	7.31
3.15	5.336	3.75	5.84	4.35	6.344	4.95	6.848	5.55	7.352
3.2	5.378	3.8	5.882	4.4	6.386	5.0	6.89	5.6	7.394
3.25	5.42	3.85	5.924	4.45	6.428	5.05	6.932	5.65	7.436
3.3	5.462	3.9	5.966	4.5	6.47	5.1	6.974	5.7	7.478
3.35	5.504	3.95	6.008	4.55	6.512	5.15	7.016	5.75	7.52
3.4	5.546	4.0	6.05	4.6	6.554	5.2	7.058	5.8	7.562
3.45	5.588	4.05	6.092	4.65	6.596	5.25	7.10	5.85	7.604
3.5	5.63	4.1	6.134	4.7	6.638	5.3	7.142	5.9	7.646
3.55	5.672	4.15	6.176	4.75	6.68	5.35	7.184	5.95	7.688

OCTOBER 1967 TOTAL CLASS I UNIT SALES BY 5 POOL AND 4 NON-POOL PLANTS ^{1/}

	GALLONS	$\frac{1}{2}$ GALS.	QUARTS	PINTS	$\frac{1}{2}$ PINTS	PRODUCT LBS.	%-TOTAL
Whole Milk	642,296	810,875	214,080	521,360	3,193,264 ^{3/}	11,747,622	77.62
Skim (Regular)		100,445	41,478		21,991	534,761	3.53
Skim (2% Milk)	97,793	52,755				1,070,350	7.07
Buttermilk	To $\frac{1}{2}$ Gal. ^{2/}	214,447	129,463	40,502	34,327	1,266,861	8.37
Flavored Drink	To Qts. ^{2/}	To Qts. ^{2/}	60,962	200,118	201,342 ^{3/}	433,090	2.86
Half & Half			5,082 ^{4/}	34,426		47,648	0.31
Coffee Cream			^{4/}				
Whip Cream			1,802	18,509		13,454	0.09
Sour Cream	563				34,861	22,968	0.15
				Total Pounds		15,136,754	100.00

^{1/} Includes unit sales by pool plants and "In Area" sales by non-pool plants.

^{2/} Restricted - distributed by less than three handlers.

^{3/} Includes 10 oz. cartons converted to $\frac{1}{2}$ pints.

^{4/} Includes coffee cream and half & half quarts plus $\frac{1}{2}$ oz. creamers converted to qts.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES <u>1/</u> Per Hundredweight				HANDLER CLASS PRICES <u>1/</u>			
	Uniform	Base	Excess	Bf.Dif.	Class I		Class II	
					Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Oct.'66	\$5.65	-	-	9.2¢	\$6.01	9.7¢	\$3.99	7.9¢
Nov.	5.68	-	-	8.6	6.09	8.9	3.95	7.8
Dec.	5.65	-	-	8.4	6.07	8.8	3.90	7.6
Jan.'67	5.62	-	-	8.2	6.09	8.6	3.90	7.6
Feb.	5.50	-	-	8.2	6.05	8.6	3.37	7.6
Mar.	5.36 <u>2/</u>	\$5.54	\$3.33	8.2	5.92	8.6	3.37	7.6
Apr.	5.19 <u>2/</u>	5.45	3.31	8.2	5.94	8.6	3.35	7.6
May	5.33 <u>2/</u>	5.54	3.32	8.2	6.00	8.6	3.36	7.6
June	5.47 <u>2/</u>	5.68	3.33	8.2	6.16	8.6	3.37	7.6
July	5.56 <u>2/</u>	5.76	3.33	8.2	6.24	8.6	3.37	7.6
Aug.	5.67	-	-	8.4	6.24	8.6	3.97	7.7
Sept.	5.71	-	-	8.4	6.16	8.7	3.97	7.7
Oct.	5.63	-	-	8.4	5.98	8.7	3.98	7.7
Nov.	-	-	-	-	5.98	8.7	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi.92 ^o Butter	Minn/Wisc. Mfg..Milk	Basic Formula	Class I		Class II	
	¢ Lb.	\$-cwt-3.5%	\$-cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Oct.'66	68.80	4.26	4.26	499,096	3.65	86,340	7.07
Nov.	67.70	4.15	4.26 <u>4/</u>	474,427	3.56	90,840	7.53
Dec.	66.49	4.14	4.26 <u>4/</u>	476,665	3.59	98,955	7.27
Jan.'67	66.47	4.08	4.26 <u>4/</u>	468,006	3.54	113,708	6.97
Feb.	66.47	4.02	4.15 <u>4/</u>	451,595	3.50	107,190	6.89
Mar.	66.46	4.01	4.15 <u>4/</u>	477,073	3.49	125,680	6.04
Apr.	66.45	3.98	4.05 <u>4/</u>	463,179	3.50	180,580	4.97
May	66.47	3.96	4.05 <u>4/</u>	458,593	3.51	152,870	5.28
June	66.47	3.96	4.05 <u>4/</u>	444,378	3.46	140,548	5.30
July	66.47	3.95	4.05 <u>4/</u>	427,640	3.50	128,838	5.27
Aug.	67.07	3.97	4.05 <u>4/</u>	427,213	3.49	135,298	5.13
Sept.	67.13	3.97	4.05 <u>4/</u>	482,438	3.47	113,367	5.97
Oct.	66.59	3.98	4.05 <u>4/</u>	493,777	3.58	96,943	6.71

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK <u>3/</u>			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Oct.'66	9	641,779	534,469	575	585,436	-	4.15	1,018	-	-
Nov.	9	621,225	507,725	571	565,267	-	4.20	990	-	-
Dec.	10	642,424	511,500	572	575,620	-	4.22	1,006	-	-
Jan.'67	9	645,961	508,383	568	581,714	-	4.21	1,024	-	-
Feb.	9	623,312	489,998	550	558,785	-	4.15	1,016	-	-
Mar.	9	680,040	518,872	562	602,753	554,123	4.02	1,073	986	87
Apr.	9	721,150	500,924	555	643,759	566,415	3.91	1,160	1,021	139
May	9	686,775	497,821	552	611,463	553,010	3.96	1,108	1,002	106
June	8	674,624	483,482	552	584,926	533,490	3.90	1,060	967	93
July	8	625,871	467,337	549	556,478	510,262	3.91	1,014	930	84
Aug.	8	627,993	469,524	548	562,511	-	3.88	1,026	-	-
Sept.	8	688,881	539,805	551	595,805	-	3.95	1,081	-	-
Oct.	9	717,502	575,169	550	590,720	-	4.09	1,074	-	-

1/ Excludes Premiums2/ Weighted Average Price3/ Other Source is Gross minus Producer; Class II is receipts minus Class I4/ Basic Formula "floor" per Order Amendments